BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Adoption of Electric Revenue Requirements and Rates Associated with its 2015 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast (U 39 E)	Application 14-05-024 (Filed May 30, 2014)

PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E) RESPONSES TO POWER CHARGE INDIFFERENCE ADJUSTMENT WORKSHOP QUESTIONS

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Dated: February 16, 2016

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Question 1:

Please indicate your understanding of how the Power Charge Indifference Adjustment (PCIA) is calculated, identifying, in as much details as possible, each input to that calculation.

Answer 1:

Please see the PowerPoint presentation that is being provided concurrently with these responses. The presentation describes how the PCIA is calculated and the inputs used in the calculation. This is the same way that the PCIA has been calculated since 2012, based on the Commission approved formula from Decision ("D.") 11-12-018.

Question 2:

Do you believe the current PCIA methodology should be changed? If so, how and why? Please be as specific as possible.

Answer 2:

The current PCIA methodology does not ensure bundled customer indifference, as required by statute and California Public Utilities Commission ("Commission" or "CPUC") decisions, due to flaws in the inputs or input sources to the calculation. For this reason, the Commission should reexamine the inputs to the PCIA calculation to ensure the resulting PCIA

rate is consistent with the guiding principles below and state law. Specifically, the "green adder" and capacity adder components of the market price benchmark ("MPB") should be reexamined and modified.[1] Below, PG&E describes: (a) guiding principles; (b) background on the current PCIA methodology; (c) issues related to the green adder; and (d) issues related to the capacity adder.

More fundamentally, the most direct means for the Commission to ensure bundled customer indifference and satisfy California statutory law and the Commission's own guiding principles on cost allocation, would be to replace the PCIA methodology entirely with either a Cost Allocation Mechanism ("CAM") approach for the existing utility portfolios or assigning existing utility contracts to load-serving entities ("LSEs") serving departing load customers. These proposals are addressed in more detail in response to Question 3.

a. Guiding Principles

Consistent with the Commission's previously established guiding principles for the PCIA, PG&E believes the PCIA methodology should:[2]

1. Adhere to the bundled customer indifference principle, under which bundled customers should be no worse off, nor should they be any better off, as a result of customers receiving power from an alternative energy supplier (as discussed in D.08-09-012, D.11-12-018, and California Public Utilities Code Sections 365.2 and 366.3[3]);

2. Reflect current market value for the resource attributes captured in the MPB (as discussed in D.11-12-018);

[1] The term "green adder" refers to the modifications to the MPB adopted in D.11-12-018 to reflect the market value of Renewable Portfolio Standard ("RPS")-compliant resources. *See* D.11-12-018 at pp. 17-25.

[2] PG&E's proposed principles are not listed in order of importance.

[3] All further references to statutory provisions refer to the California Public Utilities Code unless otherwise noted.

3. Be as transparent as possible while maintaining the confidentiality of market sensitive information (as provided for under Section 454.5(g) and D.06-06-066);

4. Be durable so that the methodology can be applied consistently and remain robust over time; and,

5. Be administratively feasible (as discussed in D.11-12-018).

b. Background

The establishment of generation non-bypassable charges, such as the PCIA, is a requirement of state law and is intended to prevent cost shifting when customers depart bundled service to be served under Direct Access ("DA") or by a Community Choice Aggregation ("CCA") program.[4] State law and Commission decisions provide guidance on principles to consider when evaluating the efficacy of the existing PCIA calculation method. Section 366.2(d) provides:

> [i]t is the intent of the Legislature that each retail end-use customer that has purchased power from an electric corporation on or after February 1, 2001, should bear a fair share of the Department of Water Resources' electricity purchase costs, as well as electricity purchase contract obligations incurred as of the effective date of the act adding this section, that are recoverable from electrical corporation customers in commission-approved rates. *It is further the intent of the Legislature to prevent any shifting of recoverable costs between customers*. [emphasis added.]

The Legislature further clarified these points for CCA customers specifically in Section 366.2(a)(4) by stating that:

> [t]he implementation of a community choice aggregation program shall not result in a shifting of costs between the customers of the community choice aggregator and the bundled service customers of an electrical corporation.

In D.08-09-012, the Commission affirmed the bundled customer indifference principle as a primary guiding principle for the PCIA. The bundled customer "indifference principle"

[4] *See* California Public Utilities Code § 366.2(a)(4) and § 366.2(d).

provides that "bundled customers should be no worse off, nor should they be any better off as a result of customers choosing alternative energy suppliers."[5] The Commission also supported the related principle that stranded costs should be recovered from those customers on whose behalf the costs were incurred, so that all customers pay their fair share of the costs.[6] Thus, the guiding principles behind the PCIA calculation method adopted by the Commission are rooted in the concepts of fairness and equitable treatment.

The Legislature recently re-affirmed its commitment to bundled customer indifference when it adopted Sections 365.2 and 366.3 as a part of Senate Bill ("SB") 350. These statutes provide, respectively:

> Section 365.2. The commission shall ensure that bundled retail customers of an electrical corporation do not experience any cost increases as a result of retail customers of an electrical corporation electing to receive service from other providers. The commission shall also ensure that departing load does not experience any cost increases as a result of an allocation of costs that were not incurred on behalf of the departing load.
>
> Section 366.3. Bundled retail customers of an electrical corporation shall not experience any cost increase as a result of the implementation of a community choice aggregator program. The commission shall also ensure that departing load does not experience any cost increases as a result of an allocation of costs that were not incurred on behalf of the departing load.

c. Green Adder

1. Background

The last time the Commission re-visited the PCIA calculation method was in the Direct Access Reopening proceeding (Rulemaking ("R.") 07-05-025), where the Commission adopted several modifications to the total portfolio indifference calculation in D.11-12-018, including the adoption of a green adder for the MPB calculation to account for RPS-eligible resources. The

[5] D.08-09-012, p. 10.

[6] D.08-09-012, pp. 9-10.

Commission affirmed that the MPB needed to be revised to recognize the market value of RPS-eligible resources for purposes of calculating the indifference amount and that a benchmark "that accurately reflects the market value of all relevant sources of the California renewables market" should be used.[7]

Because the RPS market in California was still in its early stages of development, parties struggled to identify and agree upon a clear source of information for establishing and updating the green adder on an annual basis. Ultimately the Commission adopted a green adder that reflected a weighted average of the actual cost of renewable resources in the IOU portfolios that were coming online in the year in question, as well as the immediately following year, and the Department of Energy ("DOE") survey of green program premiums. The Commission, recognizing the shortcomings of the green adder derivation methodology adopted and that, "as better sources of market indices of California RPS values become available in the future, we shall consider them in setting the MPB in subsequent periods."[8] Now, almost five years after the issuance of D.11-12-018, better sources are available. It is important to note that the Commission's decision in D.11-12-018 indicates that a market index is the preferred input source for setting the green adder. The existing method is not a market index and RPS market indices are now available as described below.

2. Assessment of the Green Adder

There are three primary shortcomings of the current approach to determining each IOU's green adder on an annual basis. First, it does not represent the market value of the renewable attributes associated with the utilities' RPS portfolios as a result of contract lag. Second, the DOE portion of the green adder does not represent the market value of renewables attributes in

[7] D.11-12-018, p. 17.

[8] D.11-12-018, p. 24.

California and includes administrative costs, which may well represent a significant portion of the premiums. Third, even if the existing approach is maintained, it is not durable.

As described in greater detail in response to Question 1, the green adder is weighted 68% by the weighted average cost of the IOUs' newly delivering RPS contracts (i.e., resources that begin delivering in the year the green adder is calculated and the following year, or forecast year). This component of the green adder is referred to as the "green benchmark." The problem with the current approach is that the costs of newly delivering RPS contracts do not necessarily reflect the market value of the renewable attributes of the IOUs' RPS portfolios because many of those contracts were signed several years in advance when prevailing prices may have been higher. As an example of the contract lag issue, data reported in the Electric Quarterly Report ("EQR") filed with the Federal Energy Regulatory Commission ("FERC") shows that some contracts in California that were executed in 2010 did not start delivering until 2014.[9] Parties can simply compare the 2016 green adder value with publicly-available sources of information regarding recent RPS transactions and forecasts of short-term renewable contracting costs to confirm that the current green adder value is not reflective of renewable resource market value.

In order to provide an apples-to-apples comparison, Table 1 compares the 2016 IOU green benchmark value, including the capacity value of the IOUs' renewable resources, to public sources of renewable resource costs.[10] These public sources include recent historical renewable costs data (2), recent renewable contracts signed or considered (1, 3, 7-8), and forecasted renewable costs (4-6).

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[9] FERC EQR reports can be accessed here: https://eqronline.ferc.gov/.

[10] The IOUs' green benchmark value is provided by Energy Division and used in each IOU's PCIA calculation. Because the value provided by Energy Division has already removed the capacity value of the renewable resources used for the calculation, PG&E has added that capacity value ($3.59/MWh) to the green benchmark value ($92.13/MWh) to ensure an apples-to-apples comparison. The green benchmark is the weighted average costs of newly delivering IOU contracts used in the 68% weighting of the green adder.

Table 1
2016 IOU Green Benchmark Value
(With Capacity Value Included)
Compared to Indicators of Renewable Energy Market Prices[11]

Source	Value ($/MWh)	Variation from 2016 Green Benchmark (with capacity value)
2016 IOUs' Green Benchmark (with capacity value included)	95.72	n/a
1. SCPPA Geothermal (35 MW) PPA	77.25	-18.47
2. 2014 Padilla Report	74.30	-21.42
3. SCPPA Solar PPA (45 MW)	64.00	-31.72
4. Silicon Valley Community Choice Energy Feasibility Study	61.70	-34.02
5. Peninsula Clean Energy Feasibility Study	61.19	-34.53
6. Lake County CCA Feasibility Report	60.33	-35.39
7. SCPPA Solar (55 MW)	53.75	-41.97
8. SMUD Wind (200 MW)	52.00	-43.72

The remaining 32% weighting of the green adder is developed using a Western Electricity Coordinating Council ("WECC")-wide DOE survey of price premiums associated with voluntary renewable energy programs. This value was $16.55/megawatt-hour ("MWh") in 2016. This portion of the green adder represents the premium associated with voluntary renewable programs, which may include administrative or marketing costs associated with those voluntary programs, and thus may not provide an accurate estimation of the market value of the renewable attribute itself. While the DOE energy values were reasonable to use when the green adder was developed in 2011, it does not represent the California renewables market.

Finally, regardless of the value determined by the existing green adder approach in a given year, the existing approach is not durable because it relies on the IOUs continuing to

[11] Sources for the information in Table 1 are provided in Attachment A to these responses.

contract for new RPS-eligible resources despite uncertainty in future RPS procurement needs for each utility. California's RPS market has evolved significantly since D.11-12-018 was issued and the IOUs have made significant progress in meeting California's RPS goals. In fact, in its 2015 RPS Plan, which was approved by the Commission in D.15-12-025, PG&E projects that under both the 33 percent RPS by 2020 target, as well as a 40 percent by 2024 scenario, it is well-positioned to meet its RPS compliance requirements and will not have incremental procurement need until at least 2022. Neither PG&E or San Diego Gas & Electric Company ("SDG&E") are conducting 2015 RPS Requests for Offers ("RFOs"). To the extent the IOUs reduce or stop procuring RPS-eligible resources for some period of time, few, if any, resources will be starting delivery in a given year, and therefore there may be insufficient data available to calculate the green adder. Another potential outcome of the existing methodology would be a situation in which the majority of the RPS-eligible resources beginning delivery in the two-year period are procured to meet a specific policy mandate. Mandated programs restrict flexibility and optionality in procurement, often resulting in higher prices than technology-neutral competitive RPS solicitations. For this reason, such procurement would not be reflective of the market value of RPS-eligible resources.

3. Recommendations

PG&E recommends the Commission consider alternatives to the existing method for deriving the green adder value to better reflect market values in California for the forecast year. Specifically, PG&E recommends using an improved source for determining the value of the green adder that meets the guiding principles identified above. In order to develop a recommendation for an alternative source, PG&E reviewed currently available indices, contract-based solutions, and other alternatives for the green adder in order to find an alternative that achieves the principles identified above. Based on this review, PG&E recommends the

Commission adopt the Platts market index for California RECs to calculate the green adder in the MPB for the forecast year.[12] While there are several California renewable market indices, Platts is the only source that PG&E has identified that includes prices for each of the three California RPS portfolio content categories. The Commission would collect from Platts prices for Category 1, Category 2, and Category 3 resources in California and these prices would be applied to the category distribution in each utility's bundled electric portfolio for each vintage year. Platts is the source used for the current energy MPB input, and represents a semi-public renewable energy credit ("REC") market price index (i.e., the index can be acquired through subscription). Alternatively, the Commission could source from a variety of renewable indices, if the deficiency of lack of RPS portfolio content category detail for other indices is addressed, to determine the green adder. With the use of a market based indices, the current weightings involved in the calculation of the green adder are no longer needed

d. Capacity Adder

1. Background

In D.11-12-018, the Commission also adopted changes to the capacity adder for the MPB calculation to reflect the cost of complying with the Commission's Resource Adequacy ("RA") requirements. The Commission determined that the capacity adder should be based on the going-forward costs of a gas-fired combustion turbine as estimated by the California Energy Commission ("CEC"), but, similar to the caveats made to the green adder, also stated "that it is reasonable to provide a means for updating the RA capacity value included in the MPB over time as more updated date becomes available."[13]

[12] An overview of the California REC data gathered by Platts is located here: http://www.platts.com/im.platts.content/downloads/pdfs/factsheetrecassmnt.pdf.

[13] D.11-12-018, p. 28.

2. Assessment of the Capacity Adder

As is the case with the green adder, PG&E believes updated RA procurement data is available that will result in a more accurate measure of indifference costs. There are several shortcomings with the existing capacity adder value. First, the value is administratively-determined rather than being based on actual RA transactional value. Second, it reflects long-term, not short-term capacity costs and thus does not account for existing supply/demand conditions of the market. The California Independent System Operator's ("CAISO") 2015 Summer Loads and Resources Assessment notes that the 2015 planning reserve margins were projected to be 39.1 percent for the CAISO system[14], an indication that existing supply greatly exceeds demand, thus signifying that the prevailing RA value would likely be lower than the going forward costs of a gas plant. Third, it does not reflect the going-forward costs of all plants in the portfolio, some of which can be low due to several factors, such as tax incentives for renewables. Finally, it reflects fixed costs to operate without any consideration of energy revenues that may be earned in excess of variable costs to help recover the fixed costs of operation of a plant.

Similar to the comparison provided above for the green adder, one can compare the 2016 capacity adder value with publicly-available sources of information regarding recent RA transactions and forecasts of RA compliance costs to confirm that the current capacity adder value is not reflective of RA capacity value. Table 2 compares the existing capacity adder value to public sources of forecasted RA costs.

[14] CAISO, 2015 Summer Loads and Resources Assessment, p. 4. Located at: https://www.caiso.com/Documents/2015SummerAssessment.pdf.

Table 2
2016 Capacity Adder Value Compared to Indicators of RA Value[15]

Source	Value ($/kW-yr)	Variation from 2016 Capacity Adder ($/kW-yr)
2016 Capacity Adder	58.27	n/a
1. Lake County CCA Feasibility Report	32.93	-25.34
2. CPUC RA Report	32.40	-25.87
3. Peninsula Clean Energy Feasibility Study	10.62	-47.65
4. Silicon Valley Community Choice Energy Feasibility Study	7.68	-50.59

3. Recommendations

PG&E recommends using an alternative source for determining the value of the capacity adder that meets the guiding principles. PG&E reviewed alternative approaches with the objective of identifying an approach that better achieves the principles identified above. While no transparent RA market index currently exists, the best source of RA market data seems to be the Commission's annual RA report, but this report suffers from data lag that somewhat reduces its value as a data source. If the Commission chooses to use the annual RA report, PG&E recommends that a value be used that represents transactions made for the forecast year in the most recent year of reportable data. For example, if the 2013-2014 RA report were used for the 2016 forecast year, a value representing weighted average RA costs for 2016 deliveries should be used and based only on transactions that occurred in 2014 (the most recent year of available data) rather than all transactions collected regardless of the year the transaction was conducted.

[15] Sources for the information in Table 2 are provided in Attachment A to these responses.

Question 3:

How should the CPUC address the potential departure from bundled service of a very large load, such as the City of San Diego or County of Los Angeles? Would transferring contractual responsibility from an IOU to a CCA be an option?

Answer 3:

A better approach than the current PCIA methodology for ensuring bundled customer indifference, satisfying California statutory requirements, and meeting the guiding principles, would be to replace the PCIA with a CAM mechanism for all existing contracts in the utilities' respective portfolios or, alternatively, assigning these contracts to LSEs serving departing load customers. The CAM mechanism or contract assignments would be a durable and equitable method for allocating costs and responsibility, whether a load departure is large or small.

The CAM mechanism ensures that bundled and departing load customers equally share the burdens – and benefits -- of existing contracts that were entered into on behalf of these customers. Under a CAM approach, the net capacity costs of existing contracts would be allocated to all bundled, DA, and CCA customers, and all benefits, including RA and renewable attributes, would be allocated as well. Departing customers would benefit from the RA and renewable attributes allocated to them and would, at the same time, pay their fair share of the costs of contracts that were entered into on their behalf. Using CAM would also avoid many of the disputes concerning the inputs to and calculation of the PCIA that have occurred in recent years (and are the subject of the workshop). There has been little dispute about the CAM calculations, which are relatively straightforward. Calculating the net capacity costs for CAM does not require the inputs or assumptions inherent in the PCIA. All of the parties would benefit from the more straightforward approach used in CAM for calculating net capacity costs and then allocating those costs and benefits.

Alternatively, the utilities could transfer contractual responsibility and contractual benefits, including the RA, renewable, and energy attributes, from the utility to another LSE, such as an Electric Service Provider ("ESP") or a CCA, through an assignment or a novation. Both of these approaches would be sufficiently durable to address large load departures, such as the City of San Diego, and smaller departures, such as the initial phase planned by the City and County of San Francisco.

Question 4:

Should Direct Access (DA) customers and Community Choice Aggregator (CCA) customers be treated differently vis-à-vis the PCIA? If so, why and how?

Answer 4:

No. The PCIA is intended to ensure that bundled customers remain indifferent to departing load, whether the departing customers are receiving DA or CCA service. In addition, California statutes do not draw any distinction between DA and CCA customers, but instead require in both cases that customer departures not cause any cost increases for remaining bundled customers. *See* Sections 365.2 and 366.3. Finally, PG&E notes that its vintaging proposal in Phase 2 of this proceeding treats all DA and CCA customers equally. The vintaging proposal made by Marin Clean Energy ("MCE") in this proceeding, which would have vintages be determined by geographic areas, rather than departure date, would provide an advantage for departing CCA customers over DA customers and would thus result in inequitable treatment between these two groups of departing customers as well as harm to bundled customers.

Question 5:

Can transparency regarding the calculation of the PCIA be increased while protecting valid interests in keeping certain information confidential?

Answer 5:

The majority of the information related to the PCIA calculation is publicly available in either testimony or public workpapers in the Energy Resource Recovery Account ("ERRA") Forecast proceeding. However, as the question implies, some of the information included in the calculation is market sensitive information that is provided under Section 454.5(g) and D.06-06-066. Non-market and market participants can access market sensitive information by executing the Commission-approved Non-Disclosure Agreement ("NDA") and following the confidentiality rules adopted by the Commission in D.11-07-028. Thus, non-market participants, such as consumer advocates, as well as market participants, such as DA and CCA providers, can have access to all of the information included in the PCIA calculation, subject to the Commission's rules. In addition, Commission staff and the Commissioners have access to all of the information used to calculate the PCIA. The current review process appropriately balances the need for transparency with the protection of bundled customers from potential harm that would result from the disclosure of market sensitive information.

Some parties have indicated an interest in longer-term forecasts of the PCIA. PG&E believes that convening a working group would be the best approach for developing tools that could assist these parties with longer term forecasts, and is willing to host such a working group.

Respectfully submitted,

By: *__/s/ Charles R. Middlekauff__*
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Dated: February 16, 2016

ATTACHMENT A

Table 1 Sources:

1. SCPPA Considers 35 MW Geothermal Power PPA, Changes to Solar Contract, California Energy News Markets, November 20, 2015, No. 1361.
2. The Padilla Report to the Legislature, Reporting 2014 Renewable Procurement Costs in Compliance with Senate Bill 836 (Padilla, 2011), May 2015. The 2014 value represents CPUC-approved utility contracts for RPS-eligible resources for the year 2014, two years prior to 2016. Prices have declined since 2014 as evidenced by the other sources shown. Report is located at: http://www.cpuc.ca.gov/WorkArea/DownloadAsset.aspx?id=5725.
3. SCPPA Considers 35 MW Geothermal Power PPA, Changes to Solar Contract, California Energy News Markets, November 20, 2015, No. 1361.
4. Draft Silicon Valley Community Choice Energy Technical Study, Pacific Energy Advisors, Inc., November 25, 2015. Value derived from "Short Term Renewable Market Purchases and RECs" costs divided by 36% of Load Requirements in Pro Forma Analysis. Report located at: http://www.svcleanenergy.org/files/managed/Document/200/FINAL%20DRAFT%20SVCCE%20Technical%20Study_112515.pdf.
5. Peninsula Clean Energy CCA Technical Study, Pacific Energy Advisors, Inc., October 16, 2015. Value derived from "Short Term Renewable Market Purchases and RECs" costs divided by 35% of Load Requirements in Pro Forma Analysis. Report located at: http://green.smcgov.org/sites/green.smcgov.org/files/documents/files/FINAL%20Peninsula%20Clean%20Energy%20CCA%20Technical%20Study.pdf.
6. Lake County Community Choice Program Feasibility Report, California Clean Power, May 2015. Value derived by taking the sum of "Forward Energy Prices" ($40.34) and RPS Compliance Costs ($2.14 million) found in Table 6 converted to $/MWh based on energy requirements (324,400 MWh) found in Table 1.
7. SoCal Utilities Sign Contracts for 55 MW from sPower Projects, California Energy News Markets, October 30, 2015, No. 1358.
8. SMUD Approves Purchase of Wind Power for $52/MWh, California Energy News Markets, October 16, 2015, No. 1356.

Table 2 Sources:

1. Lake County Community Choice Program Feasibility Report, California Clean Power, May 2015. Value derived by taking the "Resource Adequacy Costs" ($2.27 million) in Table 6 and dividing by peak demand (58.8 MW) found on page 19, multiplied by 1.15.
2. CPUC, The 2013-2014 Resource Adequacy Report, August 2015. $32.40/kW-yr is the weighted average price for 2016 capacity in $/kW-month (see Table 10 on p. 23) multiplied by 12. CPUC RA reports are located at: http://www.cpuc.ca.gov/RA/.
3. Peninsula Clean Energy CCA Technical Study, Pacific Energy Advisors, Inc., October 16, 2015. Value derived from "Resource Adequacy Capacity" costs in Pro Forma

Analysis divided by peak demand of 784 MW (682 MW identified on page 35 of the report multiplied by 1.15 to account for the planning reserve margin which sets an LSE's system RA requirement). Report located at: http://green.smcgov.org/sites/green.smcgov.org/files/documents/files/FINAL%20Peninsula%20Clean%20Energy%20CCA%20Technical%20Study.pdf.

4. Draft Silicon Valley Community Choice Energy Technical Study, Pacific Energy Advisors, Inc., November 25, 2015. Value derived from "Resource Adequacy Capacity" costs in Pro Forma Analysis divided by peak demand of 725 MW (631 MW identified on page 40 of the report multiplied by 1.15 to account for the planning reserve margin which sets an LSE's system RA requirement). Report located at: http://www.svcleanenergy.org/files/managed/Document/200/FINAL%20DRAFT%20SVCCE%20Technical%20Study_112515.pdf.

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CERTIFICATE OF SERVICE

I, the undersigned, state that I am a citizen of the United States and am employed in the City and County of San Francisco; that I am over the age of eighteen (18) years and not a party to the within cause; and that my business address is Pacific Gas and Electric Company, Law Department B30A, 77 Beale Street, San Francisco, CA 94105.

On the 16th day of February, 2016, I caused to be served a true copy of:

PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
RESPONSES TO POWER CHARGE INDIFFERENCE ADJUSTMENT WORKSHOP QUESTIONS

[XX] By Electronic Mail: By **s**erving the above via e-mail transmission to each of the parties listed on the official service list for Docket No. A.14-05-024.

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 16th day of February, 2016, at San Francisco, California.

/s/ Stephanie Louie
STEPHANIE LOUIE